



**MEETING OF THE RETIREMENT BOARD  
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND  
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT  
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY  
33 N Dearborn St, Suite 1000  
Chicago, IL 60602**

**Minutes for the October 3, 2013 Meeting of the Board**

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

Call to Order and Roll Call.

**Trustees Present:** John Fitzgerald, Diahann Goode, Alexis Herrera, Robert Janura, Brent Lewandowski, Patrick McFadden, Patrick Nester, Samuel Richardson, Jr. and Ivan Samstein

**Staff Present:** Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance; Paul Rzeszutko, Director of Annuity Benefits; Brenda Deming, Director of Health Benefits; David Cholewa, Director of Systems and Project Management; Margaret Fahrenbach, Legal Adviser; Gary LeDonne, Senior Benefit Advisor; Rachel Farris, Manager of Communications; Beverly Romanini, Executive Administrative Assistant

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli, LTD; Katie Sabo, Commissioner Gainer's Office; Jason Parks, Loop Capital

Public Comment.

Trustee Fitzgerald asked if anyone present would like to address the Board and, no one having requested to do so, the Board considered the next item of business on the Agenda.

1. Review and Consideration of:

a. September 5, 2013 Board Meeting Minutes.

It was moved by Trustee Richardson and seconded by Trustee McFadden that the minutes of the September 5, 2013, Board Meeting be adopted.

**Vote Result:**      **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

- b. Bills, Payroll Records, Annuities, Spouse and Child Annuities, Ordinary and Duty Disabilities, and Refunds.

The Fund's monthly bills and payroll records were presented for the Board's approval.

It was then moved by Trustee McFadden and seconded by Trustee Lewandowski that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records be approved.

Roll Call Vote:

AYES: Goode, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald  
NAYS: None

Vote Result: MOTION ADOPTED

- c. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee McFadden and seconded by Trustee Lewandowski, having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Goode, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald  
NAYS: None

Vote Result: MOTION ADOPTED

- d. Ordinary and Duty Disabilities

The Fund's staff then presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee McFadden and seconded by Trustee Lewandowski having received confirmation from the staff that they followed the Fund's procedures in reviewing

and processing the applications, that the recommendations for the presented ordinary and duty disability applications be approved.

Roll Call Vote:

AYES: Goode, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

Trustee Herrera entered the meeting at the conclusion of business regarding the previous item.

## 2. Administrative Report

### a. Duty Disability Notification Plan

The Executive Director provided the Board with an update about the administrative matters of the Fund. Nickol Hackett reported the general process that the Fund follows so that members are made aware of the need to file disability applications while their disability exists as required by the Pension Code. The Fund provides this information on its website and at least once a year in its newsletters. Gary LeDonne further described how the Fund has worked with the Cook County Department of Risk Management to notify members about the need to file an application for duty disability benefits with the Fund. The Fund has some access to Risk Management's Workers' Compensation records and can identify those members who have submitted claims under the Illinois Workers' Compensation Act ("IWCA") so long as the claimants are properly identified by Risk Management.

The Trustees discussed whether the Fund staff should send letters to the members who have filed claims under the IWCA to notify them of the need to file application for duty disability benefits while their disability still exists. The letters could be sent as a courtesy to the members, even though the Fund has no obligation to inform them of their benefits under the Pension Code. It was agreed that the Fund staff would develop a procedure for notifying those members who have filed a claim under the IWCA of their rights to duty disability benefits and of the need to file applications for such benefits with the Fund.

### b. Education Approval

Ms. Hackett then stated that the Fund, as a current investor in a Blackstone Alternative Asset Management vehicle, was invited to attend its 2013 Annual Hedge Fund Conference at which due diligence and advisory issues would be addressed. She added that it would be in the interest of the Fund to send a representative to the conference so that the Board can be advised about developments related to this asset class.

It was then moved by Trustee Samstein and seconded by Trustee Richardson, Jr. that the expenses, including any associated travel expenses, incurred by the Executive Director in

attending the 2013 Blackstone Alternative Asset Management Annual Investor Conference in New York City, New York, on Oct 17, 2013 be approved provided that any reimbursement shall be in and for amounts consistent with the Fund's Travel Expense Reimbursement Policy.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

c. Election Update

Paul Rzeszutko provided an update about the election for trustees to the Board. He reported that five members filed petitions to be candidates for the County Employee position. All of the members who filed petitions met the requirements for candidacy and will appear on the ballot. The candidates are: Alexis Herrera, Thomas Iacovetti, David M. Feller, Paul Bonilla and Michele Coleman. Mr. Rzeszutko stated that all of the candidates have prepared statements that are posted on the Fund's website. The ballots have been ordered and the election for the County Employee position on the Board will proceed on October 30, 2013.

There was only one petition filed for the position of County Annuitant member and one petition filed for the position of Forest Preserve Annuitant member. Those petitions were filed by John E. Fitzgerald and Robert Janura, respectively. Because the elections for those positions are uncontested, no election is necessary under the Fund's rules. Instead, the Independent Election Administrator will declare Mr. Fitzgerald and Mr. Janura the successful candidates for these positions.

3. Legal Report

a. Request for Hearing Officer – Laurie Brennan

Margaret M. Fahrenbach provided a report to the Board regarding legal matters. Because the matters were not confidential, there was no need to request a closed session pursuant to Section 2(c)(11) of the Open Meetings Act. Ms. Fahrenbach reported that Ms. Laurie Brennan had requested an administrative hearing because the Board found that she was not eligible for the ordinary disability benefits she requested. The Board had found that she was not eligible for benefits because the County Physician could not make a determination that Ms. Brennan was disabled and recommended that the member be referred for an Independent Medical Examination ("IME").

The Board discussed the process for referring members for IMEs and considered how to best proceed under these circumstances. They also discussed whether they needed to both appoint a hearing officer and approve the referral of Ms. Brennan for an IME. The Fund staff advised the Board that the recommendation by the County Physician that a member be

referred for an IME was not common, but expected that such recommendations would increase in the future.

It was then moved by Trustee Lewandowski and seconded by Trustee Samstein that Ms. Brennan be referred for an IME. It was further moved that Retired Judge Michael C. Close be appointed to serve as the hearing officer for the administrative hearing requested by Ms. Brennan if following the IME, there was no determination that she was disabled.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, Nester, Richardson, Samstein, Fitzgerald

NAYS: McFadden

Vote Result: MOTION ADOPTED

Ms. Fahrenbach also reported that a settlement agreement had been very recently reached in the litigation brought by Latoya Hayward concerning the right to benefits under the Uniformed Services Employment and Reemployment Act. The settlement agreement will be presented for the Board's approval at the November meeting. Fund staff also reported that the Military Service Policy is expected to be completed and will be presented to the Board at that time for consideration.

#### 4. Finance Report

##### a. Fourth Quarter Cash Flow Report

Michael Maratea reported on the cash flow requirements of both the County Fund and the Forest Preserve Fund to cover projected expenses through December 31, 2013. He reported on the current cash balances and on the projected shortfalls for each of the Funds. Mr. Maratea stated that the County Fund needed to withdraw cash in an aggregate amount not to exceed \$110 million dollars and that the Forest Fund needed to withdraw an aggregate amount not to exceed \$3.5 million dollars for projected expenses through December 31, 2013. No trustee raised any objection to the proposed withdrawals for either the County Fund or the Forest Preserve Fund.

On the motion of Trustee Lewandowski, which was duly seconded, it was moved to allow the prior fully affirmative roll call vote to stand for purposes of this item.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

#### 5. Health Benefits Report

##### a. Consideration of September 26, 2013 Health Benefits Committee Recommendations

The Trustees then discussed the recommendations made by the Health Benefits Committee at their special meeting on September 26, 2013, relating to the tiered subsidy schedule for

health benefits as previously considered by the Board. The Trustees discussed the recommendation of the Health Benefits Committee that further analysis and evaluation was needed before implementing the tiered subsidy structure.

It was then moved by Trustee Janura and seconded by Trustee Goode that the Board adopt the recommendation made by the Committee at the special meeting on September 26, 2013, to approve a revised target date of January 1, 2015, for implementation of a service-based subsidy schedule, subject to a satisfactory completion and review of feasibility and impact determinations as requested by the Committee.

Vote Result:        **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

b. Open Enrollment

Brenda Deming provided an update about Open Enrollment for health benefits. She stated that at the Open Enrollment meeting scheduled for November 1, 2013, various vendors will offer preventive and health awareness activities. The Fund staff will also be available for consultation regarding health benefit and retirement issues. Members will also receive mailings about the Open Enrollment process, including a notice about transferring HMO Classic participants to the HMO Advantage plan, with the option to re-enroll in the HMO Classic plan if the member chooses to do so.

6. Actuary Authorization

a. Authorization to Engage Actuary for Experience Study

Nickol Hackett presented to the Board the request from Buck Consultants, the Fund's actuary, that it conduct an experience review for both the County Fund and the Forest Fund for the December 31, 2013 actuarial valuations based upon the four year period from January 1, 2009, through December 31, 2012. The Board discussed the need for the experience review and agreed that the request was reasonable.

b. Authorization to Engage Actuary for Health Benefits Special Projects

Nickol Hackett proposed, and as is consistent the recommendation from the Health Benefits Committee that further analysis and evaluation was needed before implementing a tiered subsidy structure, that Buck Consultants be retained to evaluate the impact of the proposed changes at a cost not to exceed \$40,000. She added that this amount was allocated in the 2013 budget for actuarial services for special projects.

It was then moved by Trustee Lewandowski and seconded by Trustee Janura, that Buck Consultants should perform an experience review for the County Fund and the Forest Fund based upon the four year period from January 1, 2009, through December 31, 2012. It was further moved that Buck Consultants be retained at a cost not to exceed \$40,000, to evaluate the impact of implementing a tiered subsidy structure for health benefits.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson,  
Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

7. Old Business/New Business

Trustee Janura then asked if there was any report regarding action by the General Assembly concerning pension reform issues. The trustees discussed the commonly held expectation that changes to the state funds would be enacted first and that similar changes to the local funds would follow. The trustees further discussed the duties owed by both the General Assembly and Cook County to the Fund and how the Fund should proceed in the current environment. It was noted that at the present time, there was no expectation that pension reform will be enacted in the General Assembly's veto session in October, 2013.

Mary Pat Burns stated that it would be beneficial to the Board to conduct a general review of litigation that is pending in various jurisdictions concerning both the funding of public pension funds and unauthorized payments made by public funds. She proposed that such a review would provide guidance to the Board about how to address these issues.

There being no further business before the Board, the meeting was adjourned.

The next Board meeting is scheduled for November 7, 2013, at 9:30 a.m.